

105TH CONGRESS
1ST SESSION

H. R. 1153

To amend the Internal Revenue Code of 1986 to enhance the incentive for contributions of computer technology and equipment for elementary or secondary school purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 1997

Mr. CUNNINGHAM (for himself, Mr. LEWIS of California, Mr. HUNTER, Mr. WELDON of Pennsylvania, Mr. SHAYS, Mr. GILLMOR, Mr. GREENWOOD, Ms. PRYCE of Ohio, Mr. FILNER, Mr. BILBRAY, Mr. ENGLISH of Pennsylvania, Mr. FOLEY, Mr. FOX of Pennsylvania, Ms. LOFGREN, Mr. NORWOOD, Mr. WICKER, Mr. COOK, and Mr. GIBBONS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to enhance the incentive for contributions of computer technology and equipment for elementary or secondary school purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “21st Century Class-
5 rooms Act for Private Technology Investment”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) The General Accounting Office reported in
4 1995 that “America’s schools are not designed or
5 equipped for the 21st Century”;

6 (2) an excellent education that provides Amer-
7 ican children with a fighting chance at the American
8 Dream includes rigorous academic basic instruction,
9 plus technological literacy and proficiency in working
10 with computers;

11 (3) by the year 2000, 60 percent of American
12 jobs will require technology skills; thus, without
13 early training in technological literacy, many of our
14 future leaders will start their adult lives at a severe
15 economic disadvantage;

16 (4) while America’s classrooms are supported
17 by dedicated teachers, involved families, and bright
18 young children, many of our Nation’s classrooms
19 lack the important technological resources that they
20 need to prepare both teachers and students for a
21 technologically advanced present and future;

22 (5) advanced technology has improved Ameri-
23 ca’s economic competitiveness, transformed com-
24 merce and communications, and improved the qual-
25 ity of life of millions of Americans, but it has not

1 yet made as transforming an impact on the way
2 schools educate children;

3 (6) the Internet and the World Wide Web are
4 revolutionizing the way individuals and organizations
5 share and find information, yet only 14 percent of
6 our classrooms have a telephone jack, and about 1
7 in 50 are connected to the Internet; furthermore, the
8 most common computer in our Nation's schools is
9 the Apple 2c, introduced over a decade ago and now
10 on display at the Smithsonian Institution; and while
11 50 percent of schools have local area computer net-
12 works (LANs), less than 10 percent of those net-
13 works connect with computers in classrooms;

14 (7) therefore, bringing America's classrooms
15 into the 21st Century requires a major national in-
16 vestment in technology, including computers, soft-
17 ware, and interactive interconnectivity;

18 (8) the sums required to bring our classrooms
19 into the 21st Century extend into the tens of billions
20 of dollars;

21 (9) Congress has authorized and funded several
22 programs which invest in education technology; how-
23 ever, because of the immense scale of the need, and
24 because primary and secondary education are pri-
25 marily a local and State responsibility, bringing our

1 classrooms into the 21st Century is best done in a
 2 manner that does not increase Federal Government
 3 expenditures or bureaucracy and keeps control as
 4 close as possible to the children and teachers who
 5 will benefit; and

6 (10) many businesses invest their time and re-
 7 sources into classrooms; but the tremendous need
 8 for additional computer equipment and software in
 9 our classrooms, plus the wave of computer upgrades
 10 taking place among businesses in the United States,
 11 argue persuasively for an additional financial incen-
 12 tive to encourage businesses to invest their equip-
 13 ment into 21st Century classrooms.

14 (b) PURPOSE.—The purpose of this Act is to direct
 15 the innovation and energy of private enterprise to the edu-
 16 cation of our young people, expand technological literacy,
 17 and bring the education of our young people into the 21st
 18 Century.

19 **SEC. 3. CONTRIBUTIONS FOR COMPUTER TECHNOLOGY**
 20 **AND EQUIPMENT FOR ELEMENTARY OR SEC-**
 21 **ONDARY SCHOOL PURPOSES.**

22 (a) CONTRIBUTIONS OF COMPUTER TECHNOLOGY
 23 AND EQUIPMENT FOR ELEMENTARY OR SECONDARY
 24 SCHOOL PURPOSES.—Subsection (e) of section 170 of the

1 Internal Revenue Code of 1986 is amended by adding at
2 the end the following new paragraph:

3 “(6) SPECIAL RULE FOR CONTRIBUTIONS OF
4 COMPUTER TECHNOLOGY AND EQUIPMENT FOR ELE-
5 MENTARY OR SECONDARY SCHOOL PURPOSES.—

6 “(A) LIMIT ON REDUCTION.—In the case
7 of a qualified elementary or secondary edu-
8 cational contribution, the reduction under para-
9 graph (1)(A) shall be no greater than the
10 amount determined under paragraph (3)(B).

11 “(B) QUALIFIED ELEMENTARY OR SEC-
12 ONDARY EDUCATIONAL CONTRIBUTION.—For
13 purposes of this paragraph, the term ‘qualified
14 elementary or secondary educational contribu-
15 tion’ means a charitable contribution by a cor-
16 poration of any computer technology or equip-
17 ment, but only if—

18 “(i) the contribution is to—

19 “(I) an educational organization
20 described in subsection (b)(1)(A)(ii),
21 or

22 “(II) an entity described in sec-
23 tion 501(c)(3) and exempt from tax
24 under section 501(a) (other than an
25 entity described in subclause (I)) that

1 is organized primarily for purposes of
2 supporting elementary and secondary
3 education,

4 “(ii) the contribution is made not
5 later than 2 years after the date the tax-
6 payer acquired the property (or in the case
7 of property constructed by the taxpayer,
8 the date the construction of the property is
9 substantially completed),

10 “(iii) substantially all of the use of the
11 property by the donee is for use within the
12 United States for educational purposes in
13 any of the grades K–12 that are related to
14 the purpose or function of the organization
15 or entity,

16 “(iv) the property is not transferred
17 by the donee in exchange for money, other
18 property, or services, except for shipping,
19 installation and transfer costs,

20 “(v) the property will fit productively
21 into the entity’s education plan, and

22 “(vi) the entity’s use and disposition
23 of the property will be in accordance with
24 the provisions of clauses (iii) and (iv).

1 “(C) CONTRIBUTION TO PRIVATE FOUNDA-
2 TION.—A contribution by a corporation of any
3 computer technology or equipment to a private
4 foundation (as defined in section 509) shall be
5 treated as a qualified elementary or secondary
6 educational contribution for purposes of this
7 paragraph if—

8 “(i) the contribution to the private
9 foundation satisfies the requirements of
10 clauses (ii) and (iv) of subparagraph (B),
11 and

12 “(ii) within 30 days after such con-
13 tribution, the private foundation—

14 “(I) contributes the property to
15 an entity described in clause (i) of
16 subparagraph (B) that satisfies the
17 requirements of clauses (iii) through
18 (vi) of subparagraph (B), and

19 “(II) notifies the donor of such
20 contribution.

21 “(D) SPECIAL RULE RELATING TO CON-
22 STRUCTION OF PROPERTY.—For the purposes
23 of this paragraph, paragraph (4)(C) shall apply.

24 “(E) DEFINITIONS.—For the purposes of
25 this paragraph—

1 “(i) COMPUTER TECHNOLOGY OR
 2 EQUIPMENT.—The term ‘computer tech-
 3 nology or equipment’ means computer soft-
 4 ware (as defined by section 197(e)(3)(B)),
 5 computer or peripheral equipment (as de-
 6 fined by section 168(i)(2)(B)), and fiber
 7 optic cable related to computer use.

8 “(ii) CORPORATION.—The term ‘cor-
 9 poration’ has the meaning given to such
 10 term by paragraph (4)(D).”

11 (b) CONTRIBUTIONS OF CASH FOR COMPUTER TECH-
 12 NOLOGY AND EQUIPMENT FOR ELEMENTARY OR SECOND-
 13 ARY SCHOOL PURPOSES.—Subsection (a) of section 170
 14 of such Code is amended by adding at the end the follow-
 15 ing new paragraph:

16 “(4) In the case of a corporation, the amount
 17 of each charitable contribution of cash to an organi-
 18 zation or entity described in subsection (e)(6)(B)(i)
 19 to be used by such organization or entity for the
 20 purpose of acquiring computer technology or equip-
 21 ment (as defined in subsection (e)(6)(E)(i)) shall be
 22 treated for purposes of this section as being equal to
 23 110 percent of the amount of such contribution
 24 which (but for this sentence) would otherwise be
 25 taken into account under this section.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the calendar year in which this Act is enacted.

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